

WELFARE REFORM AND ITS EFFECT ON CHILDREN AND FAMILIES

On July 17, 2002, the New America Foundation hosted a roundtable discussion on the topic of "Welfare Reform and its Effect on Children and Families." Panelists discussed the current state of welfare reform and its implications for children. Topics addressed during the discussion included the 40-hour work week rule, abstinence-only education and marriage provisions, the goal of improving children's well-being and the role indicators may play and the federal law's effect on inner city children.

The 40-Hour Work Week Rule

Sheila Zedleski, Director of the Income and Benefits Center at the Urban Institute

Shelia Zedlewski talked about the effect of the 40-hour work week rule on children and families. She first reviewed the key provisions regarding work in the TANF reauthorization bills before the House and Senate.

Requirement	Current Law	HR/4347/Administration	Senate Finance
Participation Rate	50%	Increase 55% (2004) to 70% (2007)	Increase 55% (2004) to 70% (2007)
Credits	Caseload Reduction since 1995	Recent Caseload Reduction/Employment Credit	Employment Credit
Hours	20 Hours (child < 6) 30 hours (child > 6)	40 Hours, regardless of age of child	Current Law
Activities	<u>Primary=1st 20 hours</u> Work Education and Training Job Search <u>Secondary</u> Training	<u>Primary=1st 24 hours</u> Work-Paid/Unpaid Rehabilitation (3 months) <u>Secondary</u> State Option	<u>Primary (First 24 Hours)</u> Work Job Search (8 weeks) Rehabilitation (6 months) Education and Training (24 months) <u>Secondary</u> Rehabilitation if not counted as primary

Ms. Zedlewski expressed some concerns about the increase in the participation rates that have been proposed by the House and Senate. An increase in work requirements shifts the focus back to jobs only, and as a result the implications for children are harsh. She presented information on the range of Federal work participation rates for all families in the year 2000. Only 6 States had 41-50 percent of families participating in work activities that counted toward the Federal participation rate. As a result, most States would have a long way to go to meet the new participation rate requirements.

Ms. Zedlewski also presented information from the Urban Institute's National Survey of America's families. The survey looked at the work activity among adults receiving TANF

benefits, the number of hours per week that TANF recipients were working, and the barriers to work that TANF recipients face. The surveys results included:

- In 1999 only 32% of adults who were receiving TANF benefits were working for pay and 33% had no work activity.
- In 1999, 57% of welfare recipients were working 35 or more hours. 22% of welfare recipients were working 21-30 hours and 21% were working 0-20 hours.
- TANF recipients have barriers to work and work decreases with an increase in the number of barriers.
- 20% of TANF recipients do not have any barriers to employment and 56% of these recipients are working.
- 40% of TANF recipients have one barrier to employment and 33% of these recipients are working.
- 40% of TANF recipients have two or more barriers to employment and 32% of these recipients are working.
- 80% of adults on TANF have at least one barrier to work.
- Barriers to employment include serious mental or physical health problems, lack of high school education, lack of work experience for 3 or more years, caring for a disabled child or infant, or does not speak English.

Abstinence-Only Education and Marriage Prevention

Jodie Levin-Epstein, Senior Policy Analyst for the Center for Law and Social Policy

Jodie Levin-Epstein talked about abstinence-only education and marriage provisions. The U.S. has one of the highest teen birth rates. 1/3 of all births are out-of-wedlock. 80% of teen births are out-of-wedlock. Ms. Levin-Epstein talked about the differences in the views of abstinence only and abstinence plus. Abstinence Plus advocates that abstinence is the best message but allows for contraceptive use.

In terms of the marriage question, research does not tell us enough about marriage. We do know that for low-income families, two incomes are better than one. Earnings can effect marriage. In Iowa after welfare reform, there was a decrease in many TANF recipients' earnings and income. This decrease had a negative effect on marriages.

The Goal of Improving Children's Well-Being and the Role Indicators May Play

Dr. Kristen Moore, president and senior scholar for Child Trends, talked about the goal of improving child well-being and the role indicators can play. Child Trends has conducted studies on the effect of welfare reform on child well being. These studies have shown that Welfare to Work programs have weak or no impacts on children. Jobs which increase income have a favorable impact on children. However, after the passage of welfare reform the lives of children did not change significantly. The House of Representatives and President Bush have made child well-being an overarching goal for welfare reform.

Dr. Moore also talked about Child Trends proposal for a new data system. Child Trends has written a proposal to House and Senate offices for a new data system to monitor outcomes of child well-being. Under the proposal, indicators would be designed for all children and would be consistent across States for comparison. These indicators would be used for a sampling of low-income children. Indicators would measure a broad array of outcomes for education and socio-emotional development. The cost of this system would be in the range of \$15-20 million dollars. The data system would allow policy makers to improve the lives of children.